

FISCAL NOTE

Bill #: HB0035

Title: Highway Patrol Officer Salaries and Retention

Primary Sponsor: Jent, L

Status: As Amended - Revised

Sponsor signature	Date	David Ewer, Budget Director	Date
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Fiscal Summary

	<u>FY 2006</u> <u>Difference</u>	<u>FY 2007</u> <u>Difference</u>
Expenditures:		
General Fund	\$0	\$0
State Special Revenue	\$566,650	\$4,046,658
Revenue:		
General Fund	\$0	\$0
State Special Revenue	\$3,313,590	\$6,627,135
Net Impact on General Fund Balance:	\$0	0

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|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input checked="" type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. It is assumed that 1,325,436 vehicles will be registered in Montana in FY 2006. With the January 1, 2006 effective date, only half or 662,718 vehicles registered would fall under the bill for FY 2006. Each of the 662, 718 vehicles registered after the effective date would be assessed a \$5.00 fee, which would raise \$3,313,590 in revenue. (662,718 vehicles x \$5.00 = \$3,313,590) This revenue would be placed in a state special revenue fund.
2. It is assumed that 1,325,427 vehicles will be registered in Montana in FY 2007. Assessing the \$5.00 fee would raise \$6,627,135 in revenue for the state special revenue fund. (1,325,427 x \$5.00 = \$6,627,135)
3. A salary survey would be completed every two years, which solicited pay information from Yellowstone, Missoula, Lewis and Clark, Butte-Silver Bow, Flathead, Dawson, Gallatin and Cascade counties. The average of these entry-level salaries would be averaged together to determine the base salary for MHP officers.
4. The funds raised by this bill will provide the funding for paying for the increase in pay determined under this bill and provide a mechanism to fund additional officers and their initial expenses (salaries, training, equipment and uniforms). The unexpended revenue from one year would roll into the next and from biennium to biennium. This would provide funding for future years.

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5. The new state special funding source pays for a pay increase for existing officers. In addition, any new officers (above current staffing level) would be paid 100% out of the new fund, plus their operating and equipment expenses.
6. In FY 2006, the funds would not be expended, but would be held to provide the base necessary to establish a solid foundation for the fund. In FY 2007, the initial pay increase would be paid (\$1,438,623 salaries, \$647,381 benefits), 20 new officers would be recruited and hired (\$341,760 salaries, \$51,264 benefits), and the expenses training, equipping and supplying the new hires (\$1,000,980) would be expensed against the fund. A total of \$3,480,008 would be expended for these items in FY 2007 out of the state special statutory appropriation created in this bill (Section 7).
7. In FY 2006, current uniformed officers would receive the pay raise awarded to all state employees. In FY 2007, this bill provides a mechanism to pay for the salaries of all uniformed members of the MHP above their existing pay.

Vacancy Savings Section of HB 35

8. Section 4 of HB 35 exempts the Montana Highway Patrol from vacancy savings. Implementation of Section 4 would require \$566,650 per year be restored to the budget for the Montana Highway Patrol Division in HB 2. In HB 2, the Highway Patrol is budgeted in the state special revenue fund (gas tax).

FISCAL IMPACT:**Department of Justice – MHP – Salaries and Retention**

	FY 2006 <u>Difference</u>	FY 2007 <u>Difference</u>
FTE	0.00	20.00

Expenditures:

Personal Services	0	2,479,028
Operating Expenses	0	563,340
Equipment	0	437,640
TOTAL	0	3,480,008

Funding of Expenditures:

State Special Revenue (02) – New Fund	0	3,480,008
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Revenues:

General Fund (01)	0	0
State Special Revenue (02) – New Fund	3,313,590	6,627,135

Department of Justice – MHP – Remove Vacancy Savings**Expenditures:**

Personal Services	566,650	566,650
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Funding of Expenditures:

State Special Revenue – Gas Tax	566,650	566,650
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Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

State Special Revenue (02) – New Fund	3,313,590	3,147,127
State Special Revenue (02) – Gas Tax	(566,650)	(566,650)

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EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Local governments would potentially receive more revenue from citations with more officers on the road.

LONG-RANGE IMPACTS:

The state general fund would potentially receive more revenue from citations with more officers on the road.